United Nations S/2011/498

Security Council

Distr.: General
8 August 2011

Original: English

# Assessment report of the Secretary-General on the status of the negotiations in Cyprus

## I. Introduction

1. This report provides an updated assessment of the state of the negotiations in Cyprus since my last report of 4 March 2011 (S/2011/112).

2. This is my third assessment report to the Security Council since I met with the leaders of the Greek Cypriot community and the Turkish Cypriot community in New York in November 2010, when they committed themselves to increase the tempo of negotiations and to focus their efforts on identifying and reaching convergence on the core issues. This report also comes after my latest meeting with the two leaders in Geneva on 7 July.

3. I have been concerned that the talks were beginning to drift and that little tangible progress was being made. In April, it was decided to postpone our follow-up meeting until more progress could be achieved. At the meeting on 7 July in Geneva, I reiterated my concern that progress was sluggish and discussed with the two leaders ways in which the situation could be addressed. The leaders agreed to intensify the pace of negotiations, improve the methodology of the talks, and push for a conclusion as soon as possible. They also agreed to meet me again in October in New York, by which time I expect that they will be able to report convergence on all core issues.

4. These talks are taking longer than we had hoped. Almost three years have elapsed since the start of the full-fledged negotiations in September 2008. Since then, the leaders have met well over 100 times and, still, many of the core issues remain unresolved. After I met with the leaders in November 2010, the sides initially gave focused and productive attention to the core issues, which resulted in convergences on the economy and European Union-related chapters. Both sides have presented bridging proposals on various occasions on a number of issues under negotiation. They have also increased the frequency of their meetings in recent months, but unfortunately with limited results. Progress continues to be far too slow. At the current pace, it is not likely that an agreement can be reached for quite some time. It is clear that all the elements of a bi-zonal, bi-communal federation in Cyprus are known to the sides in this negotiation, yet a comprehensive solution has so far eluded the parties, as it has for decades.



Please recycle

5. We have clearly reached a defining moment in the talks, when all efforts must be employed to keep the process viable and capable of delivering a mutually beneficial solution. I expect the two leaders to reach such a solution as soon as possible.

## II. Background

6. This assessment report follows my fourth meeting with the Greek Cypriot and Turkish Cypriot leaders. When I visited the island in January 2010, Dimitris Christofias, the Greek Cypriot leader, and the then Turkish Cypriot leader, Mehmet Ali Talat, issued a joint statement expressing confidence that they could achieve a solution in the shortest possible time. Following the change of leadership on the Turkish Cypriot side and a several-week hiatus in negotiations, I was able to announce in May 2010 that the talks would continue on the same basis and from where they had left off. Mr. Christofias and the new Turkish Cypriot leader, Dervis Eroglu, also made statements at that juncture, recognizing that time was not on the side of a settlement and committing themselves to the process of negotiating a mutually beneficial settlement. Six months later, in November 2010, I met with the two leaders in New York and asked them to concentrate their efforts on the core issues. Our next meeting was held on 26 January 2011 in Geneva, where we again focused on the goal of reaching convergence on the core issues, and the leaders agreed to intensify the negotiations. After the January meeting, I indicated that I would call another meeting soon to review developments. In April, I spoke with both the leaders and informed them of my decision that more progress should be made before we met again. I stressed the need to accelerate the process. In May, I invited the leaders to meet with me in Geneva in July to identify the difficulties standing in the way of reaching a comprehensive agreement and to discuss strategies for significantly picking up the pace of the negotiations.

7. When I met Mr. Christofias and Mr. Eroglu in Geneva on 7 July, I reiterated to them my continuing belief that, with enough political will, a deal should be possible. I pointed out that several decades had been spent by their predecessors and mine exploring ways of uniting the island, and that both sides knew where the compromises needed to be made.

8. I have repeatedly pointed out to the leaders, as I did in my last report, that the United Nations expects the two sides to assume primary responsibility for driving the process forward. The Cypriot-led and Cypriot-owned process has the full support of the United Nations, but it is the two leaders who must take the necessary actions to reconcile the differences between their two communities.

9. In support of the process, I have used the period since my last report to keep the solution of the Cyprus question high on the agenda of the United Nations, as well as on the agenda of key regional and international leaders. This has become particularly important as a number of other pressing issues in the region have taken on greater immediacy. I continued to discuss the Cyprus question with various Heads of State and senior officials, including the President of Turkey, Abdullah Gül; the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, David Cameron, and the Deputy Prime Minister, Nick Clegg; as well as the President of the European Commission, José Manuel Barroso. My Special Adviser continued to engage with senior officials who are pivotal to the process, particularly

those of the three guarantor Powers, namely Greece, Turkey and the United Kingdom.

## III. Status of the process

10. In the five months since my last report, the rate of progress in the talks has slowed, despite the regularity of the meetings between the leaders and their representatives. The leaders met 17 times and their representatives met 28 times during this period. Both sides continue to make efforts at putting forward bridging proposals, but the approach to achieving compromise has not always been productive or yielded results. A considerable amount of time has been spent in clarifying positions instead of moving towards convergences.

11. Late in March, the sides began discussing the internal aspects of security. The discussions focused on policing and law enforcement arrangements in a united Cyprus at both the federal level and that of the federated units or constituent States. The sides have come close to agreement on the details of this issue, although several important outstanding aspects remain to be resolved.

12. On property, I am pleased that both sides made use of the international technical experts whose services I offered when I met with the leaders in Geneva in January. This has enabled each side to explore a range of technical issues and to further develop proposals in this area. However, the return to formal negotiations on property is long overdue. There remains fundamental disagreement on the issue of conditions for restitution and the mode for exchange. Negotiations on the matter of territory should also be initiated as it remains one of the chapters least explored to date. This can be done without prejudice to the fact that both sides have agreed that the issue of maps and figures related to this chapter should be discussed only during the last phase of the process prior to a multilateral meeting.

13. Since my last report, the discussions on governance have focused on the capacity to conclude international treaties and the procedure for doing so, and the federal-level decision-making procedure with regard to foreign affairs, and have led to convergence on the principle of representation abroad. Importantly, the sides reached agreement on international treaties binding on the united Cyprus. As a result, the Subcommittee on International Treaties has resumed its work and has met twice.

14. The important agreements on the economy that were reached before the issuance of my last report remain in place. Nothing further was discussed in relation to the European Union in this period. The primary remaining divergence concerns how the settlement agreement will be incorporated into European Union law in order to ensure its legal certainty. The issue of citizenship has not been discussed substantively since I met with the leaders in January. In response to the Greek Cypriot call for a demographic census, I made available the expertise of the United Nations in this area. The census process is only a related matter, however. While the census process is being carried out, the sides must resolve the core issue of who should be considered citizens of the united Cyprus.

15. The technical committees, established in 2008, continued to meet on the implementation of confidence-building measures intended to improve the daily lives

of Cypriots. Three of the seven technical committees, which were dormant since July 2008, have now resumed their work.

16. According to the latest polls, while both communities are losing confidence in the possibility of a united Cyprus, their desire for a solution has not faltered. United Nations agencies and programmes in Cyprus are working closely with local partners in support of the peace process. With the collaboration of Cyprus 2015 and ENGAGE, a group of Cypriot non-governmental organizations supported by the United Nations Development Programme, various events were organized to facilitate public dialogue on issues related to the talks. The opening in the buffer zone of the "Home for Cooperation" by the Association for Historical Dialogue and Research was a landmark event; the facility will provide a space for inter-communal education, dialogue and research. Under the Economic Interdependence project, the Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce launched the first joint report on current levels of economic interdependence between the two communities. Their findings confirmed that a settlement would be economically beneficial to both communities. The Gender Advisory Team provided the leaders with recommendations on gender issues relating to property and citizenship, in addition to a previous submission on governance. The youth groups of the two leading political parties on either side sent me a joint letter, asking me to encourage the leaders to reach a solution now. I reiterate my call to Mr. Christofias and Mr. Eroglu to engage civil society in the task of reaching a comprehensive settlement and to take into account these and other important civil society efforts to contribute to the peace process.

17. Regarding the broader assessment of the United Nations presence in Cyprus, which I have announced in previous reports, internal discussions continue as to the potential scope and timing of such an exercise.

## IV. Meeting of 7 July

18. On 7 July, I met with both leaders at the United Nations Office at Geneva. I explained that I was disappointed in the lack of progress. I noted that although both sides had worked steadily since our meeting in January, they had not touched important areas in the negotiations despite the prior agreement to concentrate on resolving core issues. I pointed out that the pace of the negotiations had become far too slow. I stressed the importance of the two leaders focusing their energies on reaching broad agreements rather than dwelling on individual problems in minute detail, and said that the methodology of the negotiations needed to be improved. I asked the leaders to put aside all other matters in the negotiations and to concentrate on finding a way through the difficult core issues.

19. Despite my sobering assessment, the meeting was held in a constructive and positive atmosphere. Both sides acknowledged the difficulties. They both canvassed their positions across all chapters in the negotiations and put forward bridging proposals in a range of areas. This exercise helped to further explain, and in some cases clarify, the positions of the sides across the various negotiating chapters. Most importantly, the meeting contributed significantly to tracing a way forward, and thus succeeded in becoming more than a "stock-taking exercise" of the process.

20. With the two leaders, I was able to identify some of the stumbling blocks that have stood in the way of reaching a comprehensive settlement thus far. We agreed

on the need to significantly accelerate the pace of the talks and move into intensive negotiations and to focus on the core issues. In that regard, the leaders accepted my recommendation to engage in negotiations for two full days each week. We also agreed that, without prejudice to the central principle of a Cypriot-owned and Cypriot-led process, there would be enhanced United Nations involvement.

21. The leaders also accepted my invitation to meet again in October in New York, by which time I expect they will be able to report convergence on all core issues. This would take the Cyprus negotiations closer to their conclusion and would allow me to give a positive report to the Security Council on the matter. It would also pave the way for me to work with the parties towards convening a final, international conference. Both leaders made it clear that they will strive to reach a comprehensive solution as soon as possible.

22. The leaders also acknowledged the need to begin building support for a comprehensive agreement in order to renew hope and enthusiasm for a solution across the island. This includes the critical task of preparing their respective communities for the compromises required for a settlement and the prospect of living together in a united Cyprus.

## V. Observations

23. I am pleased that the two leaders have agreed to intensify the negotiations, improve the methodology of the talks and redouble their efforts to reach convergence on all core issues. This will increase the prospects of reaching an agreement. In order to increase the tempo and achieve significant results, the sides must engage in a more dynamic negotiating process and enter unequivocally into the next phase of the negotiations. This new phase would entail a comprehensive approach on all core issues and substantive trade-offs within and across chapters.

24. In order for a reinvigorated process to fully take root and be successful, other elements must also be present. The sides must work clearly within the agreed parameters of a solution, and work to reach a common, shared objective within those parameters. The leaders must desist from playing the "blame game" and each focus on what more they can do to pave the way for a solution. As I have reiterated on various occasions, and as the Security Council recently stated in its resolution 1986 (2011), the sides should refrain from negative rhetoric about the process and about each other and work to build support for a settlement deal. Finally, the sides urgently need to safeguard the integrity and confidentiality of the talks by stopping leaks on positions and other sensitive information.

## VI. Conclusions

25. The key to solving the Cyprus issue is the two sides working with political will and determination towards the same clear and common objectives, with a united Cyprus as the end result. To reunite Cyprus, there must be a bi-zonal, bi-communal federation with two equal constituent parts, with a single sovereignty and single international personality, as laid out in relevant Security Council resolutions.

26. I was pleased with the demonstrated commitment of both sides in Geneva and that the leaders committed themselves to the endeavour of reaching convergence on

all core issues by our next meeting in October. It is my hope that I can subsequently report their achievements to the Security Council and that, provided the necessary progress has been made by that time, we could then begin discussing the convening of a multilateral conference to conclude the international aspects of the agreement.

27. By October 2011, the current negotiations will have been going on for more than three years. It is well understood that time is definitely not on the side of a solution, and successive polling on citizens' views in Cyprus has confirmed this all too clearly. The Greek Cypriot and Turkish Cypriot communities deserve to be presented with a viable, mutually beneficial settlement proposal in the shortest time possible. The leaders must rise to the occasion.